

NATO, THE KOSOVO WAR, AND NEOLIBERAL THEORY

By Sean Kay¹

Introduction and Overview

Throughout the 1990s, neoliberal institutional theory dominated much of the academic literature and was reflected in policy assumptions of decision-makers working on European security. Scholars looked to the “alphabet soup” of international institutions and their principles, norms, rules and decision-making procedures including the United Nations, the Organization for Security and Cooperation in Europe, the Council of Europe, the European Union, and the North Atlantic Treaty Organization (NATO). Meanwhile, policymakers invested considerable time and resources into using international institutions for managing risk and reducing fear in contemporary security relationships. It seemed that, in the European case, institutions mattered. However, the central question of how security institutions mattered in terms of security provision was left unanswered until the Kosovo conflict of 1999. In the case of warfighting, NATO did matter. However, contrary to neoliberal expectations, NATO’s institutional attributes raised the transaction costs of security provision. As an international institution, NATO’s involvement in security provision was a liability, not an asset.

NATO and its extensive post-Cold War adaptation has been a primary case study for applying neoliberal theory to security institutions. By the late 1990s, NATO had been transformed by its members away from its core alliance functions. NATO served as a tool for organizing collective diplomacy toward the post-communist countries of Eastern Europe and its institutional functions were adapted so non-members could engage in its

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cooperative mechanisms. New institutional structures including a North Atlantic Cooperation Council, Euro-Atlantic Partnership Council, Partnership for Peace, and membership enlargement were evidence that NATO was adaptable to a new security environment. This article tests assumptions about NATO's post-Cold War institutional development and security provision via a case study of the Kosovo war. Through this study, the article seeks to shed light on the conditions under which international institutions are more or less likely to contribute to security provision.

The Kosovo war is a crucial test case for neoliberal theory for six reasons. First, the objectives of the war reflect a new value-laden institutional mission manifested in NATO's principles and norms. The long track record of inhumanity promulgated by Slobodan Milosevic was the core reason the international community sought to intervene in Kosovo. However, when states went to war, the decision on timing was primarily a taken to make credible NATO's new missions. Second, after ten years of signaling and warning among states and non-state actors about the risk of regional instability spreading from a conflict in Kosovo, this should have been an easy project for NATO to handle - especially since the Kosovo war was its second major foray into the Balkans. Third, NATO's core function of information sharing via multilateral planning had allowed its members a decade to prepare for exactly the kind of crises presented by Kosovo. Fourth, neoliberal assumptions about NATO would predict that the institution can lower the transaction costs of security cooperation. However, as this article demonstrates, the decision to fight a war through NATO's rules and procedures actually increased the transaction costs of security provision. As the war progressed, states found that the best way to lower transaction costs of security outcomes was to skirt NATO's rules and

procedures. Fifth, since the Kosovo war, NATO's key member, the United States, has moved away from NATO and there is a collective perception among the member states that the key lesson was to never do something like this again. Sixth, a new debate over the role and efficacy of institutions is likely to emerge following the collapse of United Nations agreement on Iraq policy and the subsequent American-led invasion of Iraq. The Iraq war illustrated structural trends in American foreign policy which have roots in the Kosovo experience. Understanding both the explanatory nature of neoliberalism as a cause of NATO's war on Serbia and the costs of waging war through an international institution are important both understanding both the theory and practice of international relations.

This article surveys neoliberal assumptions about international institutions and security and assesses these assumptions within the context of the major scholarly literature on NATO in the 1990s. A framework for analysis is provided for testing independent and dependent variables as they are applicable to understanding the role and function of NATO as an international institution. Two core neoliberal assumptions about institutionalized multilateral cooperation are then examined in the context of contemporary liberal theory: 1) principles, norms and the timing and cause of the Kosovo war; and 2) the relationship between information sharing, institutional rules, procedures, and transaction costs. The central conclusion is that NATO's involvement in Kosovo is best understood as a spectrum in which the rationale for the war, and the reason the war started when it did, are best explained by neoliberal theory. However, in terms of the hard test of security provision, NATO's institutional attributes decreased the efficiency of security outcomes. Because, as this study shows, the presence of NATO in

warfighting actually increased the transaction costs of security provision, the institution has become increasingly irrelevant since the Kosovo war. NATO has been adapted and survived – but it is a hollow institution that is politically unmanageable, militarily dysfunctional, and strategically challenged. The theoretical and policy irony is that the decision to go to war through NATO confirms some core assumptions of neoliberal institutionalism – but it also diminished the institutional relevance of NATO. Consequently, the emphasis that neoliberal theory put on NATO in the 1990s as a key case study illustrating the value of the theory appears circumspect.

Neoliberalism and International Security

Neoliberal theory posits that “institutions matter”. This is not a view that is rejected by critics of institutional theory – primarily contemporary realists. The core issue of contention is really over how they matter and whether institutions should be treated as independent variables, dependent variables – or both? Traditionally, neoliberal scholarship focused on the study of international regimes and the norms, principles, rules, and decision-making procedures that they embody – either through formal or informal processes. Such dynamics were seen as an important reflection of modern interdependence which creates a rationalist demand by states seeking to maximize gains through cooperation rather than by pursuing classic self-help strategies.²

Neoliberal theory places international institutions and their embodiment in international organizations at the core of state-driven efforts to create cooperation from international anarchy. Anarchy, or the absence of a government over governments,

² See Robert O. Keohane and Joseph S. Nye, *Power and Interdependence*, 3rd edition (New York: Longman, 2001), p. 7.

creates a demand for predictability in international politics, manifested in various attempts at multilateral governance. States are seen as having more to gain from cooperation than pursuing self-help strategies. So long as the benefits of cooperation outpace the costs, states will sacrifice short-term interests for long-term mutual gains.³ The fact that states invest prestige and resources into international institutions is seen as important evidence of the demand for formalized multilateral cooperation. The theory does not, however, suggest that all institutions will matter at all times. Also, the theory does not suggest that institutions act independent of the distribution of power among states. Moreover, neoliberal scholarship does not intrinsically assume that states pursuing policy guided by liberal assumptions of international politics will necessarily pursue peaceful policies. As Robert Keohane writes, “neoliberal approaches can backfire as policy prescriptions.”⁴

The neoliberal approach to international institutions traditionally focused analytical attention on economic and environmental cooperation, where the dangers of defection from cooperation are low, rather than security cooperation, where the dangers of defection are high.⁵ However, core components of neoliberal theory have been increasingly seen as applicable to international security. International institutions, through established headquarters, staff, planning, rules, and procedures are thought to help states manage coordination and collaboration problems of collective action and make cooperation on security provision easier to achieve than in the absence of an

³ See Robert Powell, “Absolute and Relative Gains in International Relations Theory,” in David Baldwin ed., *Neorealism and Neoliberalism: The Contemporary Debate* (New York: Columbia University Press, 1993), p. 213.

⁴ Robert O. Keohane, *Power and Governance in a Partially Globalized World* (New York: Routledge, 2002), p. 54.

⁵ See Lisa L. Martin and Beth A. Simmons, eds, *International Institutions* (Cambridge: MIT Press, 2001).

institution. Such interaction, proximity, and transparency is thought to foster reassurance and trust, thereby reducing the sense of vulnerability and fear that results from international anarchy. As Robert Keohane and Joseph Nye demonstrate, security institutions can aid the exercise of influence, constrain bargaining strategies, balance or replace other institutions, signal governments' intentions by providing others with information and making policies more predictable, specify obligations, and impact both the interests and preferences of states.⁶ Contemporary liberalism also increasingly emphasizes the role of institutions reflecting and advancing principles and norms of community standards, working in conjunction with information sharing, rules, and decision-making procedures as mechanisms for lowering the transaction costs of multilateral enforcement strategies.

Principles and Norms

In a purely rationalist sense, neoliberal theory does not have much to say about the content of principles and norms – but rather presumes that states will define these as most befitting their common interests. Neoliberal theory traditionally posits that states share an interest in establishing principles and norms to facilitate cooperation and provide clarity from international anarchy. Principles and rules of institutions help states to address the uncertainty of the shadow of the future and for fear of establishing counter-productive precedents.⁷ From this interaction, institutions are thought to, as Charles Kupchan notes, raise the costs of defection and define what constitutes defection while at

⁶ Robert O. Keohane and Joseph S. Nye, "Introduction," in Robert O. Keohane, Joseph S. Nye, and Stanley Hoffmann, eds., *After the Cold War: International Institutions and State Strategies in Europe, 1989-1991* (Cambridge: Harvard University Press, 1994), pp. 2-3.

⁷ See Robert Axelrod and Robert O. Keohane, "Achieving Cooperation Under Anarchy: Strategies and Institutions," in Baldwin, ed. *Neorealism and Neoliberalism*...p. 94.

the same time advancing interstate socialization by promoting the concept of an international community.⁸ In this sense, security institutions can become important promoters of community values and also tools for channeling enforcement against violators of community principles and norms.

Some neoliberal scholars note that the theory has insufficiently accounted for the content of ideas and the relationship between principles, norms and institutional activity.⁹ Drawing from the work of social constructivist theorists, particularly the works of Alexander Wendt, neoliberal scholars increasingly look to the specific content of principles and norms as important variables to understanding why states ascribe to particular institutions. Moreover, institutions are seen as feeding back into the domestic sphere and preferences of states that act within formal institutions.¹⁰ Judith Goldstein and Robert Keohane assess the role of ideas shaping interests in terms of world views, principled beliefs, and causal beliefs. Goldstein and Keohane write that, as regarding ideas embedded in institutions: "...once a policy choice leads to the creation of reinforcing organizational and normative structures, that policy idea can affect the incentives of political entrepreneurs long after the interests of its initial proponents have changed."¹¹

There are clear limits, however, to the power of ideas and institutions in a world that remains governed by interest-maximizing states as the predominant actors. For

⁸ Charles A. Kupchan, "The Case for Collective Security," in George W. Downs, ed., *Collective Security after the Cold War* (Ann Arbor: University of Michigan Press, 1994), pp. 50-51.

⁹ Keohane, *Power and Governance*, p. 1.

¹⁰ See Alexander Wendt, "Anarchy is What States Make of It", *International Organization*, vol. 46, no. XX (1992): pp. 391-425 and Alexander Wendt, "Collective Identity Formulation and the International State", *American Political Science Review*, vol. 88 (June, 1994): pp. 384-396.

¹¹ Judith Goldstein and Robert O. Keohane, "Ideas and Foreign Policy: An Analytical Framework," in Judith Goldstein and Robert O. Keohane, eds, *Ideas and Foreign Policy: Beliefs, Institutions, and Political Change* (Cornell: Cornell University Press, 1993), p. 13.

example, as Keohane notes, just because democracies come together to cooperate does not by nature mean that they will work together to export it. He writes: “Democracies may act to stop starvation or extreme abuses of human rights, as in Somalia, but they are unlikely to sacrifice significant welfare for the sake of democracy – especially when people realize how hard it is to create democracy and how ineffective intervention often is in doing so.”¹² Some scholars take the combination of identity and institutions and conclude that NATO represents a pluralistic security community as initially posited by Karl Deutsch – reflecting a region in Europe where war is no longer seen as a reasonable tool of resolving disputes.¹³ However, this approach is problematic because it ignores the NATO membership of Greece and Turkey which continue to prepare for war with each other. Keohane does, however, expose a normative assumption in modern liberal theory in that “...the strength of liberalism as a moral theory lies in its attention to how governmental arrangements will operate in practice, and in particular, how institutions can protect human rights against the malign inclinations of power holders.”¹⁴ The ability of an institution to promote such outcomes might thus be higher under a circumstance in which the members of an organization have what Katja Weber calls a heterogeneity of states based on “religion, language, cultural, and political backgrounds of countries.”¹⁵ NATO seeks to represent such a shared collective identity by identifying appropriate

¹² Keohane, *Power and Governance*, p. 75.

¹³ See Karl Deutsch, et al., *Political Community in the North Atlantic Area* (Princeton: Princeton University Press, 1957). For contemporary applications of the security community concept in NATO, see Stephen Weber, “Does NATO Have a Future?” in Beverly Crawford, ed., *The Future of European Security* (Berkeley: Center for German and European Studies, University of California, 1992), pp. 369-372. Emanuel Adler has been more successful in demonstrating that, if there is a security community in Europe, it is better defined by the European Union. See Emanuel Adler, *European Union: A Pluralistic Security Community* (Berkeley and Los Angeles: University of California Press, 1991).

¹⁴ Keohane, *Power and Governance*, p. 59.

¹⁵ Katja Weber, “Hierarchy Amidst Anarchy: A Transaction Cost Approach to International Security Cooperation,” *International Studies Quarterly*, vol. 41: no. 2 (June 1997): p. 334

behavior among democratic allies as well as criteria for domestic behavior within member states. Thomas Risse refers to such activity as reflecting a “liberal constructivist approach” to explaining why NATO has incorporated the kinds of rules and procedures that have been developed within the institution.¹⁶ NATO’s enlargement to include new members symbolizes this desire to advance a particular state identity by establishing membership criteria that reflects the principles and norms enshrined in the institution.

Much of NATO’s post-Cold War institutional adaptation – from its enlargement to its engagement in the Balkans - has been driven by a desire of its members to spread a particular set of principles and norms through the institution.¹⁷ Formal institutions like NATO can therefore serve as what Kenneth W. Abbott and Duncan Snidal refer to as both a “community representative” and as “managers of enforcement” of international principles and norms.¹⁸ In this sense, principles and norms, and the values that they reflect can become an important causal factor for collective state action, channeled through international institutions.

Information Sharing, Rules, Procedures, and Transaction Costs

Neoliberal institutional theory posits that, as states seek to coordinate policy, institutions will lower the transaction costs of cooperation in ways that would not be possible were there no institution available. The study of transaction costs draws from the assumption that states will assess the costs of bargaining relative to the costs of alternative policy choices. Information sharing is seen as helping states overcome

¹⁶ Thomas Risse-Kappen, “Collective Identity in a Democratic Community,” in Peter J. Katzenstein, ed. *The Culture of National Security: Norms and Identity in World Politics* (New York: Columbia University Press, 1996), pp. 357-399.

¹⁷ For further discussion, see Rebecca R. Moore, “NATO’s Mission for a New Millennium: A Value-Based Approach to Building Security,” *Contemporary Security Policy*, vol. 23: no. 23.2 (2002): pp. xxx-xxx.

¹⁸ Kenneth W. Abbott and Duncan Snidal, “Why States Act through Formal International Organizations,” *Journal of Conflict Resolution*, vol. 42, No. 1 (February 1998): pp. 3-32.

various obstacles to cooperation while the rules and procedures of international institutions produce efficiency gains.¹⁹ As Robert Keohane demonstrates, international institutions and their functions are best understood as “information-providing and transaction cost-reducing entities.”²⁰

Neoliberal theory does not imply that states will blindly follow an institutional path and instead assumes that states are likely to defect from institutional cooperation should the costs of multilateral cooperation outpace the perceived benefits. Neoliberal theory has thus had limited application to understanding security relationships because the costs of one state’s defection or cheating from cooperation can threaten the very survival of another.²¹ As John J. Mearsheimer writes: “Another state may be reliably benign, but it is impossible to be certain of that judgment because intentions are impossible to divine with 100 percent certainty.”²² Joseph M. Grieco has shown that: “even states that are currently allies may become competitors or enemies in the future.”²³ However, neoliberal theory posits that such fears can be overcome when states are not concerned with managing against threats, but are instead pre-occupied with managing risk and seeking means of preventing future conflict.

While neoliberal scholars hedge on the conditions for effective security cooperation, the theory nevertheless advances ambitious claims. As Celeste Wallander

¹⁹ For further discussion, see Lisa L. Martin, “Interests, Power, and Multilateralism,” *International Organization*, vol. 46, no. 4 (1992): 765-92.

²⁰ Robert O. Keohane, *After Hegemony: Cooperation and Discord in the World Political Economy* (Princeton: Princeton University Press, 1984), p. 101.

²¹ For discussion of the conditions for cooperation in the security versus economic context, see Charles Lipson, “International Cooperation in Security and Economic Affairs,” *World Politics*, no. 37 (October 1984): pp. 1-23.

²² John J. Mearsheimer, “The False Promise of International Institutions,” in Michael E. Brown, Sean M. Lynn-Jones, and Steven E. Miller, eds., *The Perils of Anarchy: Contemporary Realism and International Security* (Cambridge: MIT Press, 1995), p. 337.

²³ Joseph M. Grieco, “Anarchy and the Limits of Cooperation: A Realist Critique of the Newest Liberal Institutionalism,” in Baldwin, *Neoliberalism...*, pp. 128-129.

maintains, international institutions play a role in security relations by reducing transaction costs and making it possible for states to cooperate when it is in their interest to do so. To Wallander, rules and procedures are “institutional assets” that “...enable states to cooperate by providing resources, such as information on intentions or compliance; by establishing rules for negotiations, decision-making, and implementation; and by creating incentives to conform to international standards necessary for multilateral action.”²⁴ Neoliberal theory generally focuses on international bargaining as measurement of effective reduction of transaction costs. States are also seen as preferring to adapt existing institutions over the costs of creating new ones. However, transaction cost models also assume that states will seek and maintain institutions to increase the efficiency of providing for a common good.

Neoliberal Theory and NATO: Independent and Dependent Variables

Neoliberal institutional theory has been prevalent in the study of European security since the end of the Cold War. As Robert O. Keohane wrote in 1993 about Europe, if the theories of neoliberal institutionalists have any validity, “...the rich tapestry of institutions should both constrain states, through the operation of rules, and provide them with opportunities to cooperate, thus enabling them to pursue their own interests without positing the threats to other states that are so characteristic of realist anarchy.”²⁵ Neoliberal scholars challenge the realist prediction that, as an alliance,

²⁴ Celeste Wallander, “Institutional Assets and Adaptability: NATO After the Cold War,” vol. 53, no. 4 (Autumn 2000): pp. 709.

²⁵ Robert O. Keohane, “Institutional Theory and the Realist Challenge after the Cold War,” in Baldwin, *Neorealism and Neoliberalism...*, p. 273.

NATO will disband, lose its relevance, or be realigned based on new power realities.²⁶

Neoliberal approaches to NATO focus on its adaptation and new missions as evidence to support theoretical claims. The institutional functions of NATO, as developed during the Cold War, are seen as being portable assets for addressing a new set of security challenges.²⁷ From this methodological perspective, institutional adaptation is treated as the dependent variable.

Central to most neoliberal assessments of NATO is the proposition that it has always been “more than an alliance” – and such a conclusion is repeated regularly by both scholars and policymakers. Conversely, policymakers and NATO secretary generals also assert that NATO is “first and foremost an alliance.” One of NATO’s key architects, American Secretary of State Dean Acheson concluded that the various normative dimensions formulated within the NATO treaty were largely designed to appeal to public and parliamentary sentiment and that: “The plain fact, of course, is that NATO is a military alliance. Its purpose was and is to deter and, if necessary, to meet the use of Russian military power or the fear of its use in Europe. This purpose is pretty old-fashioned.”²⁸ NATO’s institutional form was designed to promote reassurance among the European allies and to facilitate multilateral military planning. NATO also gained the dual feature of easing the rearmament of Germany and providing its neighbors with reassurance following unification in 1991. However, there is only one answer to the question of “who put the ‘O’ in NATO?” – the Soviet threat. As a chief negotiator of the

²⁶ See John J. Mearsheimer, “Back to the Future, Instability in Europe after the Cold War”, *International Security*, vol. 15, no. 1 (Summer): pp. 5-56 and Kenneth N. Waltz, “The Emerging Structure of International Politics”, *International Security*, vol. 18, no. 2 (Fall 1993): pp. 44-79.

²⁷ Wallander, “Institutional Assets...”

²⁸ Dean Acheson, “Canada, ‘Stern Daughter of the Voice of God,’” in Livingston Merchant, ed. *Neighbors Taken for Granted: Canada and the United States* (New York: Praeger, 1966), p. 141.

NATO treaty, Charles Bohlen concluded, “Had the Soviet Union not chosen to prevent the unification of Germany in 1947 and 1948, there would have been no North Atlantic Treaty.”²⁹ The United States militarized NATO and gave it a structure to facilitate coordination among the members. NATO became an alliance organized around neoliberal functions. But the independent variables that made NATO relevant as an institution were the Soviet threat and the exercise of American power.

NATO’s institutional form provided for the development of unique multilateral assets, particularly the multilateral military planning that facilitated transparency and reassurance among members, rules that facilitated consultation over non-collective defense issues, multilateral planning and exercises. Together, these institutional functions were intended to lower the transaction costs of crisis management and security provision. These institutional assets were enhanced by a habit of consultation within the institution that became a fundamental norm of member state behavior and included consultation on out-of-area conflicts and collective diplomacy during and after the Cold War. Stephen Weber observes that, as NATO developed over time, it developed the capacity to facilitate communication through a network of permanent and intermittently meeting bodies, as well as ad hoc groups set up at the request of member states. Thus Weber concludes that NATO could sustain this function after the Cold War via its institutions where “equivalence is favored over hierarchy, with decisions requiring unanimity and the formal organization existing primarily to enhance transparency and to

²⁹ Charles E. Bohlen, *Transformation of American Foreign Policy* (New York: W.W. Norton and Co., 1969), p. 114.

facilitate the transfer of information among states.”³⁰ John Duffield maintains that “NATO’s institutional character has probably contributed to the alliance’s persistence...(NATO’s) supranational bodies and the individuals who head them have almost certainly helped the alliance to adapt to changing external circumstances by defining new tasks, identifying ways to achieve them, forging compromises, and otherwise providing leadership.”³¹ Robert McCalla has surveyed international relations theories applicable to NATO’s post-Cold War survival and concludes that neoliberal institutionalism has a high degree of explanatory value.³² Celeste Wallander explains NATO’s post-Cold War role in explicitly neoliberal terms by drawing conclusions about institutional adaptation to new circumstances via an application of transaction cost models.³³

Such assessments of NATO provide a rich foundation for describing NATO’s post-Cold War survival. Celeste Wallander and Robert Keohane thus conclude that realist predictions about NATO “turned out to be wrong.” They ask: “What went wrong with realist theory, and right with NATO?”³⁴ Neoliberal scholarship accurately portrays NATO’s survival as supporting the theory if one treats institutional adaptation as the dependent variable. However, this analytical framework says nothing about the most important question facing contemporary Europe – does this institutional adaptation

³⁰ Stephen Weber, “Does NATO Have a Future?” in Beverly Crawford, ed., *The Future of European Security* (Berkeley: Center for German and European Studies, University of California, 1992), pp. 369-370.

³¹ John Duffield, “The North Atlantic Treaty Organization and Alliance Theory,” in Knaire Woods, ed., *Explaining International Relations since 1945* (Oxford: Oxford University Press, 1996), pp. 343-345.

³² Robert McCalla, “NATO’s Persistence after the Cold War,” *International Organization*, vol. 50, no. 3 (Summer 1996): pp. 445-475.

³³ Wallander, “Institutional Assets...”

³⁴ Celeste A. Wallander and Robert O. Keohane, “Risk, Threat, and Security Institutions,” in Helga Haftendorn, Robert O. Keohane and Celeste A. Wallander, eds., *Imperfect Unions: Security Institutions over Time and Space* (Oxford: Oxford University Press, 1999), pp. 21-22.

increase – or decrease - security? If a methodological framework instead treats the institution as the independent variable and the provision of security as the dependent variable, then a far different conclusion about NATO and the relevance of neoliberal theory of security institutions emerges.

The Kosovo case demonstrates the utility of conceptualizing institutions as both independent and dependent variables. As Robert Keohane asserts: “institutions change as a result of human action, and the changes in expectation and process that result can exert profound effects on state behavior.”³⁵ The credibility of NATO’s institutional adaptation became a critical, if not the critical reason that its members chose to fight a war through the institution as opposed to pursuing a coalition of the willing. However, in terms of warfighting, this decision decreased efficiency of providing for security as the dependent variable. The institutional assets of NATO were liabilities in a crisis and were the primary explanatory factor behind suboptimal outcomes of security provision.

The failure of neoliberal theory to address the conditions for institutional effectiveness is serious, possibly dangerous, because the approach confuses what actually increases international security. For example, in 1995, NATO engaged in a limited air campaign and subsequent peace support operations in Bosnia-Herzegovina. Since NATO’s members intervened via the institution, Bosnia-Herzegovina has avoided the perils of ongoing civil conflict. NATO played an important institutional role in reducing the transaction costs of intervention because the organization had conducted planning for such an operation since 1993. The Bosnian Muslims needed a rapid intervention to gain reassurance against the event that Serb forces might use negotiation as a ploy to regroup and fight another day. Only NATO could provide the force structure necessary for a

³⁵ Robert O. Keohane, *International Institutions and State Power* (Boulder, CO: Westview, 1989), p. 10.

rapid intervention that was generated through multilateral planning and exercises that assured interoperability of forces, command, communication, intelligence, and logistics. NATO's adaptive programs such as the North Atlantic Cooperation Council and Partnership for Peace also helped to integrate non-NATO members for security provision. Nevertheless, NATO did not cause the peace. NATO's air strikes against Bosnian Serb forces were helpful, but it was the major land offensive by an alliance between Bosnian Muslims and Croats that brought the Serbs to the negotiating table. As NATO's Supreme Allied Commander Europe, Gen. Wesley K. Clark said to Slobodan Milosevic, "Mr. President...NATO didn't even fight this war. You lost it to the Croats and Muslims."³⁶ More broadly, NATO was an important means of promoting post-Cold War European security – but the key source of peace was the balance of power as codified in defensive military doctrines and legalized in the Conventional Forces in Europe treaty.³⁷

Had neoliberal theory been focused more on the hard cases of the conditions for institutional relevance, the approach might have been less ambitiously applied through the 1990s.³⁸ Consequently, programmatic activity and institutional adaptation would not have been seemingly confused with increasing security. On issues such as NATO enlargement, neoliberal analysis might have seen the outcome as decreasing the capacity for effective action by the institution due to dilution and over-complication of decision-

³⁶ Wesley K. Clark, *Waging Modern War: Bosnia, Kosovo, and the Future of Combat* (New York: Public Affairs, 2001), p. 67.

³⁷ See Catherine Kelleher, *The Future of European Security* (Washington, D.C.: Brookings Institution, 1995) and Michael Mandelbaum, *Dawn of Peace in Europe* (New York: Twentieth Century Fund, 1996).

³⁸ The best effort to address this question was provided by the late Joseph Lepgold who predicted in 1998 that: "Both humanitarian operations and operations designed to affect the political incentives of the actors in a conflict are likely to be seriously undersupplied, which could pose a difficult international problem in view of the need for such operations." Joseph Lepgold, "NATO's Collective Action Problem," *International Security*, vol. 13, no. 1 (Summer 1998): p. 79. Lepgold demonstrates that in terms of the new missions confronting post-Cold War NATO, peace operations as in the Balkans will not be highly valued because they do not involve members' territorial or political integrity.

making procedures. Instead, neoliberal theory tended to see NATO enlargement as a logical reflection of the transformation of NATO via the spread of its institutional assets for cooperation.³⁹ Despite such neoliberal optimism about NATO as a security institution, it is hard to ignore that while NATO intervened in 1995 in Bosnia, it only acted when the key variable emerged to make NATO relevant – the exercise of American power channeled through the institution. During the previous four years, NATO served as a mechanism for constraining state strategies and the exercise of influence, as neoliberal theory would posit. Yet, during this institutional buck-passing period, some 250,000 Bosnians went dead or missing. NATO did nothing when the state of Albania collapsed in 1997, prompting an intervention by a coalition of the willing led by Italy (Operation Alba) to restore order in this keystone Balkan state.⁴⁰

Measured in terms of NATO's new missions and security provision, the relevance of NATO's transformation as an independent variable can be counted as, at best, a partial success and, at worst, decreasing security. When the Kosovo conflict emerged in 1998-1999, NATO was caught unprepared, was divided over policy preferences, and engaged in warfighting that produced far below sub-optimal outcomes. The Kosovo campaign should have been an easy case for the application of neoliberal assumptions and yet it was not. Instead, the Kosovo war was such an exceptionally hard challenge to NATO's institutional functions that its relevance has been in steep decline since. When its NATO allies offered assistance in the American-led war in Afghanistan, the organization was avoided and the notion that the mission should shape the international coalition, and not

³⁹ Celeste Wallander and Robert O. Keohane suggest that "NATO's expansion could thus foreshadow, not the enlargement of a threat-oriented military alliance, but the transformation of an alliance into a security management institution." Haftendorn, et al, *Imperfect Unions...*, pp. 45-46.

⁴⁰ Sean Kay, "From Operation Alba to Allied Force: Institutional Implications of Balkan Interventions," *Mediterranean Quarterly*, vol. 10, no. 4 (Fall 1999): pp. 72-89.

that the coalition should shape the mission, became deeply embedded in American strategic thinking. The United States, NATO's key member that provides its institutions with relevance, no longer thinks in "NATO-first" terms.

Principles, Norms and the Cause of War

Throughout the 1990s, its members redesigned NATO's institutional attributes by giving the organization new mandates and institutional designs intended to build a "Europe whole and free." In the absence of a common over-arching threat, the members of NATO emphasized the common principles and norms that they shared. NATO would be a tool for coordinating outreach to the East and thus projecting stability into Central and Eastern Europe while integrating Russia into western institutions. Member states also sought to keep the institution busy out of a common belief that it remained essential to sustain the transatlantic relationship that the United States supplied Europe via NATO, while at the same time reassuring European countries about the rising power of a united Germany. NATO survived the 1990s on an agenda designed to manage risk, reduce uncertainty, and prevent the re-nationalization of defense doctrines by stressing the unique "Euro-Atlantic" values that NATO promoted.

The content of NATO's norms are enshrined in the founding North Atlantic Treaty which mandates members of the institution "to safeguard the freedom, common heritage and civilization of their peoples."⁴¹ NATO's mandate to promote community principles and norms was codified at the 1999 Washington Summit which celebrated the institution's fiftieth anniversary. NATO's "New Strategic Concept" declared the new mission to be to: "stand firm against those who violate human rights, wage war, and

⁴¹ Text of the North Atlantic Treaty, Washington, D.C., 4 April 1949.

conquer territory.”⁴² NATO was to “contribute to building a stronger and broader Euro-Atlantic community of democracies – a community where human rights and fundamental freedoms are upheld; where borders are increasingly open to people; ideas and commerce; where war becomes unthinkable.”⁴³ NATO’s Secretary General, Dr. Javier Solana, declared that the new Strategic Concept “marks the transition from an alliance concerned mainly with collective defense to one which will be a guarantee of security in Europe and an upholder of democratic values both within and beyond our borders.”⁴⁴ After the war, Solana asserted that: “NATO is determined to uphold our values – because values mean nothing if we are not willing to take action to defend them.”⁴⁵ The American ambassador to NATO, Alexander Vershbow declared that: “NATO is now in the business of defending common values and interests as well as the territory of its members...Our shared values – freedom, democracy, the rule of law, respect for human rights – are themselves every bit as much worth defending as is our territory.”⁴⁶

Instability in the Balkans was a fundamental challenge to NATO’s claim to post-Cold War security relevance and ethnic-cleansing was a direct threat to NATO’s new values-based mission. Programmatic activity like NATO enlargement was interesting, but if NATO was only to integrate the most stable areas of Europe (like Poland, Hungary, and the Czech Republic), while doing nothing to manage ethnic cleansing and genocide in the Balkans, then its institutional legitimacy would be threatened. The fact that NATO had so blundered in its initial four years of inaction in Bosnia also deeply impacted

⁴² The Alliance’s Strategic Concept, Washington, D.C., 24 April 1999.

⁴³ The Washington Declaration, signed and issued by the Heads of State and Government Participating in the Meeting of the North Atlantic Council in Washington, D.C., on 23 and 24 April 1999.

⁴⁴ Statement by NATO Secretary General Dr. Javier Solana, NATO Summit, Washington, D.C. 24 April 1999.

⁴⁵ Speech by Javier Solana at the XVIth International NATO Workshop, Budapest, Hungary, 21 June 1999.

⁴⁶ US Mission to NATO, Security Digest, no. 125, US Ambassador Vershbow’s speech on NATO After Kosovo, 30 June 1999.

decision-makers who confronted the Kosovo dilemma in 1998. As US Secretary of State Madeleine K. Albright asserted in March 1998: “We are not going to stand by and watch the Serbian authorities do in Kosovo what they can no longer get away with doing in Bosnia.”⁴⁷ NATO leaders, especially British Prime Minister Tony Blair and US President Bill Clinton were especially animated about the normative foundations and rationale for a war in Kosovo. During the war, Tony Blair declared that: “This is a just war, based not on any territorial ambitions but on values.”⁴⁸ President Clinton concluded after the war during a speech in Macedonia, the Kosovo conflict demonstrated that: “Whether you live in Africa or Central Europe, or any other place, if somebody comes after innocent civilians and tries to kill them en masse because of their race, their ethnic background or their religion, and it’s within our power to stop it, we will stop it.”⁴⁹

The growing humanitarian catastrophe inside Kosovo, combined with NATO’s new focus on promoting values, helped to elevate the Kosovo conflict from what Joseph Nye described as a transition from a “C list” to an “A list” crisis.⁵⁰ While it was important that NATO’s decision-makers were directing foreign policy based on normative agendas, it was ultimately the risk to NATO’s credibility that energized the leaders into war. Principles and norms alone were not enough to get NATO members to go to war – as the 1991-1995 period in Bosnia-Herzegovina demonstrated. However, the larger institutional costs of not acting on NATO’s new mandate, and the threat to the credibility of NATO as an institution that this created, was a primary rationale for

⁴⁷ Quoted in Barton Gellman, “The Path to Crisis: How the United States and its Allies Went to War,” *Washington Post*, 23 September 1999, A28.

⁴⁸ “Doctrine of the International Community: Remarks by British PM Tony Blair”, Economic Club of Chicago, 22 April 1999.

⁴⁹ Quoted in *Washington Post*, 18 April 1999, p. A1.

⁵⁰ Joseph S. Nye, “Redefining the National Interest,” *Foreign Affairs*, vol. 78, no. 4 (July/August 1999): pp. 22-35. Nye was building upon the larger analytical framework in Ashton B. Carter and William J. Perry, *Preventive Defense: A New Security Strategy for America* (Washington, D.C.: Brookings, 1999).

beginning the Kosovo war. As Tony Blair declared in the House of Commons on the eve of war: “To walk away now would destroy NATO’s credibility.”⁵¹

Up to 1998, the issue of Kosovo was managed through a bilateral containment strategy put in place by the United States. Just before leaving office, the administration of US President George H.W. Bush sent a classified message to Belgrade on 24 December 1992 warning that: “...in the event of conflict in Kosovo caused by Serbian action, the U.S. will be prepared to employ military force against Serbians in Kosovo and Serbia proper.”⁵² When Serb forces began a graduated campaign of human rights violations in response to a growing Kosovar movement toward autonomy, and a more violent movement toward independence spurred by the emergence of the Kosovo Liberation Army (KLA) in spring 1998, the credibility of America’s deterrent threat was challenged. However, the credibility of NATO and its new missions reflecting community principles and norms was undermined - thus adding to America’s strategic costs. The United States hoped to resolve both problems by making its Kosovo strategy multilateral and channeling it through NATO – even though the European allies were reluctant to implement any threat of violence against Serbia. In fact, the European allies utilized their institutional leverage in NATO to constrain growing American pressure for a military assault against Serbia through late winter 1999.

The United States pushed hard to advance military pressure on Serbia, but through winter 1998, its preferences were constrained by the European allies acting through NATO. The United States successfully convinced the NATO members to adapt

⁵¹ William Drozdiak, “Analysis: New Challenges Facing 50-Year-Old NATO,” *Washington Post*, 24 March 1999, p. A23.

⁵² The cable remains classified, however, it is quoted at length in Barton Gellman, “The Path to Crisis: How the United States and Its Allies Went to War,” *Washington Post*, 23 September 1999, p. A28.

a policy of coercive diplomacy toward the Serbs, but could only convince its allies to use a slow and deliberate public process of elevating various Action Orders (ACTORDs) to advance multilateral planning for intervention – not to actually implement policy.

Competing policy preferences among the European allies, especially involving a strong desire in Germany and France to have a United Nations Security Council mandate for any intervention, prevented NATO from acting. Nonetheless, by March 1999 escalating human rights violations by Serbs against the Albanians, to include massacres of civilians, combined with failed diplomatic efforts to convince the European allies to authorize the start of a war. It was the threat to the principles and norms that NATO was now intended to represent that led the allies into war – both to help the cause of ethnic Albanians in Kosovo, but also as an institutional rescue mission for NATO. Even the countries in NATO most opposed to a war in Yugoslavia, for example Greece, chose in favor of the broader interests of NATO and supported the start of the Kosovo war.

NATO's institutional functions brought the United States into a particular means of warfighting than it otherwise would have had it continued its unilateral deterrence policy toward Serbia. Neoliberal theory thus provides an important explanation for why NATO went to war in Kosovo. Nevertheless, NATO was far less effective at implementing collective policies consistent with the principles and norms it sought to advance. First, when NATO went to war, it did so without the legal authorization of the United Nations Security Council – which under international law is the sole body which can authorize an offensive attack against a sovereign country. While NATO would serve as a political surrogate for legitimacy, acting outside the United Nations was a violation of NATO's founding treaty. Article 1 of the North Atlantic Treaty states that members

must “refrain from the use of force in any manner inconsistent with the purposes of the United Nations.” Article 7 of the NATO treaty requires members to respect “the primary responsibility of the Security Council for the maintenance of international peace and security.” Second, the means of fighting agreed to by NATO exposed contradictions between NATO’s values and its institutional outcomes. The NATO allies were unwilling to consider a ground threat and agreed only to an air campaign bombing from over 15,000 feet. NATO members signaled that the lives of hundreds of thousands of ethnic-Albanians were not worth risking the lives of western pilots or airplanes.⁵³ Innocent civilians were killed by errant NATO bombs, including convoys of Albanian refugees who were fleeing Serb forces. Eventually, NATO would target Serb television and other civilian infrastructure including electric power grids which also damaged civilian drinking water – both were violations of the humanitarian laws of war. Third, when the war ended and NATO forces entered Kosovo as peacekeepers, displaced ethnic Albanians returned to Kosovo and carried out a reverse ethnic cleansing of Serbs from the province – all in the presence of NATO troops who did nothing to stop this outcome. Finally, in fighting for principles, NATO held Serbia and its human rights violations to a higher standard than its own member Turkey which had a persistent pattern of significant human rights violations and extra-constitutional changes in government during its history as a NATO member.⁵⁴

⁵³ As one American commentator put it: “In the calculus of the NATO democracies, the immediate possibility of saving thousands of Albanians from massacre and hundreds of thousands from deportation was obviously not worth the lives of a few pilots.” Edward Luttwak, “Give War a Chance”, *Foreign Affairs*, vol. 78, no. 4 (July/August 1999): p. 41.

⁵⁴ The U.S. State Department reports of Turkey that: “As part of its fight against the PKK, the Government forcibly displaced non-combatants, failed to resolve extra-judicial killings, tortured civilians, and abridged freedom of expression.” Turkey has forcibly removed approximately 560,000 villagers from their homes and depopulated between 2600 and 3000 villages in the Kurdish southeastern region of the country. Since 1984 some 23,638 PKK and some 5302 non-combatant civilians have been killed by Turkish security

Inconsistency aside, the decisions to launch a war, and to wage war explicitly through NATO are best explained by neoliberal theory. NATO's principles and norms provided a rationale for the institution to serve as an enforcer of community values. Still seeing utility in maintaining NATO and seeking legitimacy for intervention outside the United Nations, the United States switched from a bilateral to an institutional means of implementing its policy toward Kosovo. The United States and its allies calculated that the risks of not using NATO to manage the Kosovo crisis, and thus the crisis of credibility that such a decision would pose, was worth associated costs that might come with fighting a war through the institution. The decision to start a war in March 1999 reflected an apex of behavior among states and institutions that is best explained by neoliberal theory.

War by Committee: Information Flows and Transaction Costs

Information flows, as embodied in multilateral planning and decision-making are the lifeblood of NATO. The assumption that NATO facilitates effective planning and that its rules and procedures lower the transaction costs of cooperation are central to the neoliberal explanation of NATO's persistence. However, information flowed widely in and around, before and during the Kosovo war. Rather than provide clarity and efficiency, information flows were either ignored, made decisions more difficult, or were exploited by the enemy. One of the key assets that a multilateral planning institution can provide to states is to help them learn the nature of risks through the sharing of information and thus to better coordinate responses when they choose to act collectively.

forces. U.S. Department of State, "Turkey Country Report on Human Rights Practices for 1998", 26 February 1999.

NATO members were not lacking for information about the risks of a major crisis involving Kosovo. For a decade, analysts within and outside NATO had warned about the destabilizing consequences of conflict in Kosovo. NATO members were also well-versed on the willingness of Serb forces to carry out brutal ethnic cleansing campaigns. NATO also already had several years of direct experience managing Balkan affairs via its peace support operations in Bosnia-Herzegovina.

While considerable Balkans experience existed within NATO, the information was not effectively transferred into decision-making. A major lesson of the Bosnia-Herzegovina experience - on which virtually all of NATO's leadership agreed - was that early and credible intervention would be key to keeping inter-ethnic conflict from escalating. Nevertheless, it would take NATO a year from when its member's leaders began to threaten force in Kosovo to the decision to implement it. Additionally, senior NATO member state officials believed that, as with the selective use of air power against Serb forces in Bosnia-Herzegovina in 1995, a few days of limited bombing would force Milosevic to capitulate and reach a negotiated settlement. These leaders believed it was the limited air strikes that had led the Serbs to negotiate peace in 1995. This assumption was so pervasive inside NATO that the initial authorization for a bombing campaign only permitted military staff to plan for three days of air strikes. However, as SACEUR, Gen. Wesley Clark, had previously signaled to Milosevic, it was the Muslim-Croat ground campaign that created a new balance of power, combined with air strikes, that led to a peace settlement in 1995. NATO's decision-makers ignored institutional facts and denied their military an essential component of victory.

Reflecting the assuredness of a quick victory – what became known in NATO circles as the “short war syndrome” - U.S. Secretary of State Madeleine K. Albright and senior NATO officials predicted that the war would not be a long-term operation and would be over in a matter of several days. NATO planners were not allowed to prepare for the possibility that the Serbs might resist NATO’s air campaign – as they did with a rapid attack by 40,000 Serb forces on Albanians known as Operation Horseshoe. Experts inside the U.S. government and at NATO headquarters had warned since fall 1998 that starting the air campaign would not deter further attacks on Kosovar Albanians. Intelligence officials also warned that launching an air campaign would likely exacerbate a refugee crisis in Albania and Macedonia and strengthen the nationalist grip of the Milosevic regime in Belgrade.⁵⁵ In a glaring planning failure, just three days before the NATO bombing began, international refugee services in Albania had a capacity to receive only 10,000 people. The total number to flee from Kosovo during the three month conflict was 863,000. Given that the primary threat to regional stability would be a collapse of fragile Albania and Macedonia into ethnic conflict and chaos, this lack of adequate preparation was a major institutional failure.

NATO’s public divisions over whether to start a war, and how to wage one, provided open source intelligence to its adversary. In fact, U.S. and NATO officials purposefully made their use of force plans public as part of their effort at coercive diplomacy. The hope was that if Milosevic and his military knew what was coming from NATO, they would seek negotiation. However, NATO’s approach had the opposite

⁵⁵ See Bradley Graham, “Joint Chiefs Doubted Air Strategy,” *Washington Post*, 5 April 1999, A1 and Craig R. Whitney and Eric Schmitt, “NATO Had Signs its Strategy Would Fail in Kosovo,” *New York Times*, 1 April 1999, A1. Also see John F. Harris, “Clinton Saw No Alternative to Air Strikes,” *Washington Post*, 1 April 1999, A1.

effect, leading Milosevic to conclude that the members of the institution were not serious about war, that they might be politically divided, and the limited air campaign waited out. If this strategy was successful, NATO would eventually declare victory and go home leaving the Milosevic regime intact and Kosovo purged of Albanians. Prior to the outbreak of war, Milosevic adjusted his policies in Kosovo to maximize institutional differences on the premise that “a village a day keeps NATO away.” As the chairman of NATO’s Military Committee, General Klaus Naumann asserts, Milosevic “rightly concluded that the NATO threat was a bluff.”⁵⁶ In a study for the Rand Corporation, Benjamin Lambeth concluded that NATO’s public strategy of coercive diplomacy “gave Milosevic time to bolster his forces, disperse important military assets, hunker down for an eventual bombing campaign, and lay the final groundwork for the ethnic cleansing of Kosovo.”⁵⁷

During battle, NATO’s information flows made its political decisions more difficult to implement. In an major after-action assessment, NATO’s theater commander at AFSOUTH, Admiral James O. Ellis, noted that had information been used more effectively by NATO, the length of the campaign might have been shortened by half.⁵⁸ The Serbs were far more efficient at the strategic use of information than was NATO, whose spokesmen spent hours explaining NATO accidents, while Serb forces ethnically cleansed hundreds of thousands of innocent civilians while answering to no one. NATO personnel responsible for the management of public information at its Brussels headquarters complained privately that military planners at SHAPE in Mons left the

⁵⁶ Statement by Klaus Naumann, Hearings, *Lessons Learned from the Military Operations Conducted as Part of Operation Allied Forces*, Senate Committee on Armed Services, 106 Cong. 1 sess. (3 November 1999), p. 3.

⁵⁷ Lambeth, *NATO’s Air War...*, p. 14.

⁵⁸ Admiral James O. Ellis, U.S. Navy, “A View from the Top.” Briefing slides provided to the author.

civilian side of the information operation uninformed about the military operations they were required to explain to the media. And yet the civilian spokesmen at NATO headquarters became the focal point of world-wide broadcasts of daily press updates. Not only were the NATO spokesmen uninformed of what the military was doing, they also had the added challenge of only being able to relay the agreed consensus policy of the nineteen NATO countries.⁵⁹ One NATO spokesman was speaking for nineteen countries. Also at NATO headquarters, Milosevic had gained “interior lines” of information as a French officer was convicted after the war of supplying the Serbs with classified NATO war plans. The presence of a persistent Serb journalist at NATO press conference also served as a convenient propaganda asset for Milosevic.

Coalition military communications were undermined by the high-tech capabilities of American jets which were not shared by the other NATO members. Classified communications about targets and flight patterns were occasionally done on open channels, were intercepted by Serb intelligence, and related back to the targets which were often quickly relocated. Despite fifty years of military planning and exercising, a significant lack of trust existed within NATO over the sharing of the most sensitive of operational information. For example, the United States did not share specifics for hundreds of sorties that involved the use of F-117s, B2s, and cruise missiles, so as to guarantee sole American control over US-only assets and as a protection against leaks among allies who might compromise mission security.⁶⁰ An information failure misidentified the Chinese Embassy in Belgrade – a building that western diplomats had visited often – as a Serb military target and NATO planes bombed it. U.S. Secretary of

⁵⁹ Based on interviews with senior NATO civilian and military officials, winter 2001.

⁶⁰ Lambeth, *NATO's Air War for Kosovo...*, p. 185.

Defense William Cohen concluded that: “Clearly, faulty information led to a mistake in the initial targeting of this facility. In addition, the extensive process in place used to select and validate targets did not correct this original error.”⁶¹ Cohen determined that the accidental bombing was “an institutional error” – largely resulting from NATO’s incoherent rush to find targets following the early failures of its war planning.⁶²

If transaction costs are measured in terms of producing efficient security outcomes, then NATO’s information sharing via multilateral planning for war fighting decreased security in Kosovo. Information flows in and around NATO became more additive to the “fog of war” than to provide clarity. In the end, the public dimension of information also hardened support for NATO’s air campaign when western media televised the Serb expulsion of ethnic Albanians thus evoking images of the holocaust. However, this outcome had more to do with modern communications technology – the “CNN factor” - and nothing to do with any strategy formulated within the institution of NATO.

When the war did not go according to NATO’s plans, the institution was quickly paralyzed by its rules and procedures. NATO’s members were unable to adjust the institution to changed external circumstances. This outcome was predictable. When Italian Prime Minister Massimo D’Alema met President Clinton before the war began, he asked what would happen if the air strikes failed and Clinton had no answer. The only thing NATO could agree on was that it would continue to do more of the same.⁶³ For an

⁶¹ Eric Schmitt, “Aim, Not Arms, at the Root of Mistaken Strike on Embassy,” *New York Times*, 10 May 1999, p. A1.

⁶² Paul Richter and Doyle McManus, “Pentagon to Tighten Targeting Procedures,” *Los Angeles Times*, 11 May 1999, p. A1 and Benjamin S. Lambeth, *NATO’s Air War for Kosovo: A Strategic and Operational Assessment* (Santa Monica: Rand Corporation, 2001), p. 145.

⁶³ Michael Dobbs, “After the Bombs Fall, What Next? Concern Raised about Alternatives if Belgrade Refuses to Yield,” *Washington Post*, 24 May 1999, p. A1.

institution who's primary institutional function is facilitating the flow of information via multilateral planning, it was unable to prepare a "Plan B" in the event of failure.

NATO's military leader's requests before and during the war to update and widen the scope of planning, to include instituting a credible ground threat, were rebuffed by their political leaders. Had SACEUR, Gen. Wesley K. Clark, insisted on considering the consequences of failure of the initial limited air campaign, there might not have been any authorization for a war at all.⁶⁴ When NATO met for its 50th anniversary summit in April 1999, the measure of success was that there was no defection from cooperation, not the adaption of more effective means of providing security. Agreements to impose an oil embargo on Yugoslavia quickly disappeared. A decision to deploy Apache attack helicopters was eventually reached – though there was never consensus in NATO to use them. NATO did have three stages of intensity planned for the air campaign. However, there never was a "fourth level" if the first three failed.

According to Adm. Ellis, the operational costs of the "short war syndrome" were negative impacts on Joint Task Force activation, staff composition, facilities, command and control, logistics and execution; a lack of coherent campaign planning; a lack of component staffing; and a race to find suitable targets.⁶⁵ Adm. Ellis concluded that the institutional environment affected "every aspect of planning and execution." In particular, NATO's institutional attributes caused 'incremental war' instead of decisive operation; excessive collateral damage concerns created sanctuaries and opportunities for

⁶⁴ Dana Priest, "The Battle Inside Headquarters," *Washington Post*, 21 September 1999, A1.

⁶⁵ Admiral James O. Ellis, "A View..."

the adversary which were successfully exploited; and the difficulty of NATO's conducting out-of-area operations was not anticipated.⁶⁶

As a planning institution, NATO failed to lower transaction costs and the causal variable was NATO's institutional assets. NATO's rules and decision-making procedures raised the transaction costs and lowered the efficiency gains of security provision. The basic operating rule in NATO is that all decisions are unanimous and represent the consensus of all the members of the institution. Procedurally, any member can exert a veto in the agenda-setting or consensus-building consultation process which becomes the procedure for collective decision-making. A "vote" in NATO is only taken in the negative form when a state's ambassador "breaks silence" based on home-government instructions to declare objections over a particular issue. Consequently, NATO decision-making takes place through formal and informal procedures. To build consensus, the most effective means of policymaking comes from informal consultations among NATO representatives. This process is fostered and facilitated by the office of the NATO Secretary General and the international secretariat in Brussels – but it is a state driven process. The benefits of these rules and decision-making procedures come from the political solidarity that is achieved when the institution's policies reflect the will of its members. NATO policy, however, also by nature reflects the lowest common denominator of multilateral decision-making. In the case of the Kosovo campaign, this process worked to get NATO members to agree to launch the war and there was no eventual defection from the agreed consensus. However, the NATO members also could not agree to take steps to increase the efficiency of warfighting in a way that would have more effectively increased security.

⁶⁶ Adm. James O. Ellis, "A View..."

As NATO went through a year of public disagreement on the use of force in Kosovo, the consensus process left the institution open to influence from outside forces. Russia, in particular, strongly opposed NATO action against its long-time Serb friends and was worried about the further extension of NATO's influence toward its borders. Affirming the assumption of neoliberal theory that institutions could be used by states to pursue constraining and bargaining strategies, Russia effectively entered the consensus process in NATO by leaning heavily on NATO members and using its veto in the United Nations to prevent NATO from gaining the legal mandate for legitimizing intervention as was preferred by most European NATO allies through fall 1998. In an August 1998 telephone conversation, President Clinton and French President Jacques Chirac agreed that, at that time, NATO could not intervene in Kosovo without Russian approval.⁶⁷ Russia held no formal veto over NATO policy, but it was able to delay any attack on the Serbs and to bolster NATO member's opposition to ground forces planning. While neoliberal claims about institutions mattering were affirmed by Russia's strategy, Moscow's ability to impact the institutional rules and decision-making procedures made it more difficult for NATO's members to agree to a means of increasing security.

The inefficiency of NATO's consensus process led to assertions that the institution was fighting a "war by committee". The opportunity of NATO members to review target sets, and if they chose, to veto them had a significant impact on the ability of the organization to produce an efficient security outcome. As the war progressed, key decisions within the institution were relegated to a "quad" of the four major NATO powers (U.S., Britain, France, Germany and occasionally Italy) which made operational choices on behalf of the institution – thus moving further away from the neoliberal

⁶⁷ Interviews with US and NATO officials, fall 1998.

premise of NATO's collective responsibility. Eventually, the lead NATO allies approved a variety of targets from a more advanced stage of NATO planning without the required authority of the NATO consensus process.⁶⁸ The more NATO entered the hard realm of security provision – and the more it looked as though its rules and procedures were leading to failure – NATO members abandoned the institution's rules and procedures. After three months of failure, NATO nearly had its first member state defection – its key member, the United States. On 2 June 1999, U.S. National Security Adviser Sandy Berger asserted that Milosevic would be defeated by any means necessary. According to Berger, victory would be won 'in or outside NATO...a consensus in NATO is valuable. But it is not a *sine qua non*. We want to move with NATO, but it can't prevent us from moving.'⁶⁹ The United States appeared ready to abandon NATO in favor of its unilateral priorities when on 3 June 1999 Milosevic capitulated – most likely due to a combination of fear of a pending ground invasion and Russian diplomacy. Whatever the reason for Milosevic's decision to quit the Kosovo war, the timing and means of the end of the war were ceded to Milosevic. There is no evidence to suggest that the victory had anything to do with outcomes promulgated by NATO as an international institution.

Neoliberal Theory and the Future of Multilateral Military Action

The Kosovo war illustrates a continuum of relevance for neoliberal theory of international security institutions. If the institution is treated as the dependent variable, then institutional persistence is important evidence of relevance. In the Kosovo case, the

⁶⁸ Ivo Daalder and Michael O'Hanlon, *Winning Ugly: NATO's War to Save Kosovo* (Washington, D.C.: Brookings Institution, 2000), pp. 118-119.

⁶⁹ Steven Erlanger, "NATO Was Closer to Ground War in Kosovo than is Widely Realized," *New York Times*, 22 November 1999, p. A1.

sustainability of NATO's fragile consensus over warfighting means was seen by its members as a reasonable trade-off over the alternative – the end of NATO. Sustaining the credibility of NATO as an institution was a pivotal, if not the pivotal, reason for the start of the war. NATO did help to lower the transaction costs of strategic bargaining before the war. The United States, by acting through NATO gained legitimacy for its preferred policy of the use of force. In turn, the European allies, who were skeptical of the use of force, gained institutional influence over war fighting policy. NATO was the key transit point around which this strategic bargain was centered and the presence of NATO made it easier to reach such an accommodation.

If, however, security is the dependent variable and the international institution tested as the independent variable, then the Kosovo war signals a major challenge to neoliberal assumptions about security institutions and transaction costs. When institutional rules and procedures inhibited the enforcement of community principles and norms - thereby decreasing security - states moved away from institutional cooperation favoring ad-hoc coalitions. A particular problem for neoliberal theory is the assumption that, as the costs of institutional cooperation become too high, defection occurred. Why did the costs become so high in the Kosovo case? Because NATO was the means through which the provision of security was channeled. In the end, the way to reduce transaction costs was to limit the number of participants in decision-making by skirting the rules and procedures of the institution.

The costs of NATO's involvement in the Kosovo war were both immediate and institutional. Costs were immediate for ethnic Albanians whom NATO went to war to protect. Errant bombing, and a failure to deter attacks by Serb forces against ethnic

Albanians, combined with the unnecessary prolonging of the war due to ineffective military planning and operations, led to more suffering among the Kosovar Albanians, and created more strains on neighboring Albania and Macedonia, than was necessary. Rightly or wrongly, a widespread impression emerged within NATO countries that it was the decision to bomb that had prompted the ethnic-cleansing campaign by the Serb forces. Because a declared mission of the war was to deter and prevent further attacks against ethnic Albanians, the war quickly appeared to be a failure of methods - if not goals. In this sense, there was a moral failing in both the policy and the theoretical assumptions about NATO's post-Cold War adaptation. More people suffered and died in Kosovo than needed to because of the decision to involve NATO's institutional assets in the provision of international security.

NATO's objectives in Kosovo were eventually met in spite of the institution's rules and procedures. Allied military forces worked to the best of their ability in a highly politicized and operationally constrained environment, producing the most precise and lowest collateral damage air campaign to that point in history. No aircrews were lost, and Yugoslav forces eventually retreated. Nevertheless, the costs of the war can also be measured in institutional terms in that the war produced a significant diminution in the seriousness with which its key member states factor NATO into their foreign and defense policy planning. Staying coordinated during the Kosovo campaign proved so hard and unrewarding for the NATO members that it would lead one senior official from a NATO member state to conclude that the key lesson of the Kosovo war was that NATO should "never do something like this again."⁷⁰

⁷⁰ Interview with former high level NATO military official.

Combined with NATO's failure to engage as a major player in the US-led coalition against international terrorism, the American rejection of a NATO role in warfighting in Afghanistan, and the institutional blocking actions taken by Belgium, France, Germany, and Luxembourg to prevent NATO from engaging in collective defense support for ally Turkey during the 2003 Iraq crisis, NATO has been relegated to a secondary international institution at best. The Kosovo campaign exposed NATO's institutional assets as producing suboptimal security outcomes. For the key country that makes NATO relevant via the extension of power, the United States, planners no longer think in "NATO first" terms.

The key methodological challenge for neoliberal theory is whether an alternative strategy would have led to more optimal outcomes than were provided by NATO. While states could not have known what the outcomes would have been going into the conflict, both theorists and policymakers clearly overestimated the efficiency gains of security provision channeled through NATO. The suboptimal provision of security during the Kosovo war resulted from an explicit decision by the United States to shift its unilateral containment declaration from 24 December 1992 into a multilateral format in NATO. In so doing, the United States exposed its preferred warfighting doctrine to the institutional rules and procedures of NATO. The United States could have fought Serbia unilaterally and the testimony of military planners illustrates that they believed that such an approach, perhaps combined with a coalition of the willing mandated, but not managed, by NATO, would have led to greater efficiency in security provision. Ironically, the United States fought a mostly unilateral war in Serbia – dropping 80 percent of the high-tech precision weapons and 95 percent of cruise missiles, while supplying 90 percent of all electronic

warfare and intelligence/reconnaissance capabilities.⁷¹ In the end, American planners concluded that the costs of working the Kosovo problem through NATO were higher than the alternative of leading an ad-hoc coalition of the willing.

As Lt. Gen. Michael Short, the commander of NATO's air campaign concluded after the war:

I believe that before the first bomb was dropped, the door should have been closed, with all those inside who wished to go to war. The United States should have said very clearly, "It appears that NATO wants to go to war in the air, and in the air only. If that is the case, the sentiment of the nations here, we will lead you to war. We the United States will provide the leadership, the enabling force, the majority of the striking power, and the technology required. We will take this alliance to war, and we will win this thing for you. But the price to be paid is we call the tune. We are not just one of nineteen nations. We will pick the targets. Certainly we'll ask for your approval, but we will design the grand strategy to get this done. Those of you who do not approve of what we've designed, pull your forces that night or for a series of nights. We understand that. But you don't get to stop the effort. You don't have the ability to change the thrust. We're going to send our young men and women to war. We're going to fly into the teeth of the threat, and we'll bear the brunt of the cost and risk. In exchange for that, we are going to call the tune. And what that means ladies and gentlemen from the other eighteen nations, is that we are going to conduct a classic air campaign from the very first night. The lights are going out, the bridges are coming down, and the military headquarters are going to be blown up. And we're going to go after that target set until it's destroyed. We think that'll bring Milosevic to the table, but if it doesn't that's the best that we can do. That's the problem with conducting strictly an air war."⁷²

After the war, U.S. Defense Secretary William Cohen proclaimed that: "if we were to carry out and act unilaterally, we would have a much more robust aggressive, and decapitating type of campaign...The difference here, of course, is that we're acting as an alliance."⁷³ As Benjamin Lambeth summarizes:

⁷¹ Prepared Statement of the Honorable William S. Cohen, to the Senate Armed Services Committee," Hearng, *U.S. Policy and Military Operations Regarding Kosovo*, Senate Committee on Armed Services, 106 Cong. 2 sess (20 July 1999), pp. 5-6.

⁷² Interview with Gen. Micahel Short, *PBS Frontline, War in Europe*. www.pbs.org/frontline.

⁷³ William Cohen, interview, *PBS Frontline, War in Europe*. www.pbs.org/frontline.

A senior NATO official commented that “NATO got in way over its head, stumbled through, didn’t know how to get out, [and] was scared to death by what was happening.” This official added that the entire bombing effort had been a “searing experience” that had “left a bitter taste of tilting within governments, between governments, between NATO headquarters in Brussels and the military headquarters at Mons.” Reflecting the consensus arrived at by many senior U.S. military officers, both active and retired, Admiral Leighton Smith concluded that “the lesson we’ve learned is that coalitions aren’t good ways to fight wars” and that, at a minimum, the political process in NATO needed to be streamlined so that the collective could use force in a way that made greatest military sense.”⁷⁴

By 2000, NATO was no longer holding a place of priority in U.S. military planning.

NATO is no longer the place where American officers go to earn their stars and the level of transatlantic military socialization is in significant decline. The United States is considering repositioning its military in Europe outside of Germany and the basic institutional functions of NATO are in question. However, the key question really is why America needs to keep any troops in Europe at all, and what the decline of NATO means for the future of German foreign policy.

An irony for neoliberal theory is that the best way for NATO to regain its institutional relevance for security provision would be to reform and streamline the rules and decision-making process. However, the very rules and procedures that make NATO so in need of reform would require consensus to even place such adaptation on the agenda. What small or medium states will cede their influence gained via NATO so as to allow great powers to exert unconstrained international influence? In essence, NATO’s rules make changing the rules impossible – to the point where the transaction costs of creating alternative institutional arrangements and multilateral forms for security provision are no longer prohibitive. This will likely be especially true for the European members of NATO who, after the war in Iraq, increasingly see American power as

⁷⁴ Benjamin Lambeth, *NATO’s Air War for Kosovo*...p. 205-206.

something to be constrained. If NATO continues to be a means of tying the hands of the United States, then Washington will only further move away from its institutional assets – and consequently the Europeans would be more inclined to build up an alternative to NATO in the European Union.

Depending on how one measures the dependent variable, neoliberal institutional theory of international relations is both confirmed and challenged by the evidence provided via the Kosovo war. This does not mean that neoliberal theory is irrelevant to security outcomes or that institutions do not matter – in fact the converse is true.

However, this study demonstrates that, when applying neoliberal assumptions to security outcomes, the theory must be challenged by hard tests so that the limits of neoliberal theory will be best understood – and thus security increased.